

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 0520-01  
Bill No.: SB 333  
Subject: Department of Labor and Industrial Relations: Prevailing Wage, Counties  
Type: Original  
Date: January 31, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials of the **Department of Labor and Industrial Relations** assume if none of the applicable counties would vote to exempt from the Prevailing Wage Law, then there would be no cost nor savings to the General Revenue Fund for the Division of Labor Standards.

Officials assume that if an applicable county would vote to exempt themselves from the Prevailing Wage Law would result in an “unknown savings” to the General Revenue Fund. Officials assume there would be fewer prevailing wage complaints filed thereby requiring less work by the Division. Officials stated they had no way to estimate the number of counties that might exempt themselves if this legislation were to pass.

**Oversight** will show fiscal impact to DOL as \$0 to Unknown.

**Oversight** assumes the proposed legislation could allow local governments to reduce labor costs for capital projects. Oversight will show savings to certain local governments as a positive unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**GENERAL REVENUE FUND**

**Savings** to Department of Labor and Industrial Relations administrative impact due to reduction of workload.

	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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<b>TOTAL NET EFFECT TO GENERAL REVENUE FUND</b>	<u><b>\$0 to Unknown</b></u>	<u><b>\$0 to Unknown</b></u>	<u><b>\$0 to Unknown</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**CERTAIN LOCAL GOVERNMENTS**

**Savings** to Certain Local Governments Labor Costs

	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>
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FISCAL IMPACT - Small Business

Small businesses in the construction industry could be affected by this proposal..

DESCRIPTION

This act allows counties of the third classification and any political subdivisions within such counties, upon voter approval, to exempt themselves from the state prevailing wage law. Majority approval by the governing body of the political subdivision or a petition by the voters signed by 10% of all registered voters in the political subdivision is required before the proposal can be submitted to voters. This act does not apply to construction projects involving federal funds. The act contains suggested ballot language.

This legislation is not federally mandated, would not duplicate any other program and would not

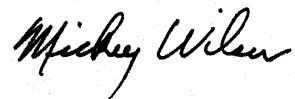
require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations

NOT RESPONDING

None

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 31, 2003

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